

Arizona State Board for Charter Schools

October 12, 2004

Executive Tower

1700 West Washington Street

Phoenix, Arizona 85007

Basement Room 56

MINUTES

Members Present-

Kimberly Mosher– Vice President
Mary Gifford – Superintendent’s Designee
Lynne Adams – Public Member
David Hume-Business Member
Mary Lynn Kelly -Business Member
Cassandra Larsen - Public Member
Jose Gabriel Loyola – Public Member
Onnie Shekerjian- Public Member-

Members Absent

Kurt Davis – President
Senator Linda Aguirre - Advisory
Representative John Huppenthal - Advisory
Representative Ted Carpenter - Advisory

Meeting began at 9:10 AM

Agenda Item A: Pledge of Allegiance

Agenda Item B: Moment of Silence

Agenda Item C: Roll Call: Traci Sawyer-Sinkbeil called the roll and confirmed a quorum. Onnie Shekerjian arrived at 9:16am. Lynne Adams arrived at 9:21am.

Agenda Item D: Call to the Public

Amanda Beck, parent of a student at Arizona Montessori Charter School, stated she had previous problems at a district school. Since going to Arizona Montessori, her child has thrived and excelled within a few months. She also stated the school has made a difference in her child.

Irina Rouban Kelsall, teacher at Arizona Montessori, stated she believes in the Montessori method and hopes the school recovers from the current situation.

Susanne Ball, teacher at Arizona Montessori, stated that she is inspired by Sandra Houston and has been in Montessori education for 14 years.

Amerigo Berdeski, parent of a student at Arizona Montessori, stated she was angry the school closed but realized she was there for the sake of her child. The school is important to her son.

Agenda Item E: Consent Agenda

1. Flagstaff Unified School District Charter Board, Inc. dba Mountain English-Spanish Academy of Flagstaff—Request for an exception to USFRCS and Procurement.

2. Old Pueblo Children's Academy—Request for an exception to USFRCS & Procurement.

3. Satori, Inc.—Request for an exception to USFRCS and Procurement.

4. Scottsdale Educational Enrichment School—

Request for an exception to USFRCS and Procurement.

5. Shelby School, Inc.—Request for an exception to USFRCS and Procurement.

6. South Mountain Arts and Technology—Request for an exception to USFRCS and Procurement.

7. Visions Unlimited Academy—Request for an exception to USFRCS and Procurement.

Agenda Item F: Superintendent's Report

Mary Gifford, Superintendents Designee reported on the High School initiative. She stated she was excited to see that charters were represented.

Agenda Item G: Executive Director's Report

1. Status of on-going board actions:

Kristen Jordison provided the Board with an updated status report that included an update on the status of each outstanding audit. Kristen also stated that some of the ongoing action items will be seen later in today's agenda.

The Board has two pending Notice of Intent to Revoke; one for Rolling Hills Charter School and one for Wide Ruins Community School. The worksheet describes the status of each.

2. Update on the State Board of Education's September 2004 meeting.

Kristen stated that the September SBE meeting focused to a great extent on the Arizona Learns formulas and Lee McIlroy will be presented later in today's agenda on this topic.

3. Update on the submission of the one year review to the Auditor General's Office and timeline.

Kristen reviewed the timeline that was provided to the Board.

4. Update on the requirement & timeline to submit Academic Declarations to the Department of Education. Kristen provided to the Board with background on the requirement to submit Academic Declaration. The Declarations for this year are due December 1st.

Agenda Item H: Subcommittee Reports and Action

MOTION

Motion by Cassandra Larsen to accept the Consent Agenda Items, 1, 2,3,4,5, and 7. Motion seconded by Mary Gifford.

Motion passes unanimously

MOTION

Motion by Cassandra Larsen to accept the Consent Agenda Item number 6. Motion seconded by Mary Gifford.

**Motion passes
(Shekerjian abstained)**

Items:**1. Charter Oversight/Strategic Planning and Implementation Committee Report—Update and review of committee actions—Cassandra Larsen****No action taken**

Cassandra Larsen, the chairman of the Oversight sub-committee, gave a brief update of the sub-committee meeting. Ms. Larsen reviewed the discussion regarding the policy of temporary suspension of charters, as well as, the discussion of academic accountability for charter schools. Both the draft suspension policy and the academic site reviews for schools at 1, 2, 3, 5, and 10 years were discussed further in the agenda.

2. Legislative Committee Report—Update and review of committee actions—Mary Gifford**No action taken**

Mary Gifford, the chairman of the Legislative sub-committee, provided an update of the previous sub-committee meeting. The sub-committee reviewed the following: 1). seeking legislation to allow the Board to issue Letters of Concern, 2). seeking legislation to mandate training, 3). seeking legislation to increase the withholding for charter schools in non-compliance from up to 10% of their state aid to 10% per violation. The sub-committee decided not to pursue any of these issues this year since 1). the Board does, through existing policy, issue non-disciplinary letters of concern and at this point it is unknown how this tool would be used, 2). the Board can mandate training as a disciplinary tool as part of a corrective action plan or in a settlement agreement, 3). the committee felt that this issue could be pursued in future years if the Board felt it was necessary but at this point the committee felt that they needed to support the database to increase consistency and improve processes.

Ms. Gifford also gave an update of the Joint Legislative/Charter Oversight sub-committees' meeting. Ms. Gifford stated that the committee recommended that specific legislative language should be developed by stakeholders and the charter school community in regard to additional charter school authorizers. The committee will comment once a bill is drafted.

3. Outreach/Public Awareness Committee Report—Update and review of committee actions—Mary Lynn Kelly**No action taken**

Mary Lynn Kelly, the chairman of the Outreach sub-committee, reported that the Outreach committee met and is developing informational materials to bring back to the full Board for consideration.

Agenda Item I: Presentation—Charter School Accountability Timeline, ASBCS Staff

Lee McIlroy, Research Analyst, presented details on Arizona Learns, Annual Yearly Progress (AYP) and the calculations and consequences for charter schools.

DeAnna Rowe, Director of Academic Affairs, presented to the Board the procedure for conducting the 1st year review, 2nd year curriculum review, and 5th and 10 year reviews.

Board break from 11:10am to 11:21am

Agenda Item J: First Read and Review Items—

1. First read, discussion and review of the policy regarding the temporary suspension of operation of a charter school.

Cassandra Larsen introduced this item. The Board discussed this and suggested it be forwarded for final consideration in November.

2. First read, discussion and review on the process for conducting first year, second year, five year and ten year reviews of charter schools.

Cassandra Larsen introduced this item. The Board discussed this and suggested it be forwarded for final consideration in November.

Order of agenda was changed to accommodate the schedules of representatives from Arizona Montessori Charter School.

Agenda Item K: Action Items

K2-Arizona Montessori Charter School

Kristen provided the Board background history of Arizona Montessori Charter School. Arizona Montessori Charter School operates two sites, one in Glendale and one in Prescott Valley. The ASBCS entered into a contract with this charter and it opened a Glendale campus in the fall of 1995 serving students in grades K-8. The Charter opened the Prescott Valley site in the fall of 1995. The Charter opened a Chandler site for one year. This site was open for the 2003-2004 school year only.

On Thursday, September 30th the office received a phone call from a parent stating that the Glendale location of Arizona Montessori was closed unexpectedly. Kristen phoned Sandra Houston, the charter representative, to get more information. Ms. Houston informed Kristen the landlord had locked them out of their facility for failure to pay the rent. She further informed Kristen all parents were verbally told that school was not in session

MOTION

Motion by Mary Gifford to refer to the Charter Oversight/Strategic Planning subcommittee, the evaluation of the elimination of the goals section from the application and to meet with the Department of Education regarding goals. Motion seconded by Cassandra Larsen.

Motion passes unanimously

on this day and would begin their scheduled intersession from Friday, October 1st – Friday, October 15th.

Over the last week Kristen had spoken with Ms. Houston and members of her management team on several occasions.

On October 6, Ms. Houston informed staff that the estimated student count of 144 that was the basis of funding for Arizona Montessori from July – September should be reduced to a count of 70. The Department of Education, School Finance Unit was informed to revise the count for the October payment. Based upon this revised number the school will not receive state aid funding again until January 15th.

Also on October 6th staff received this letter from Ms. Houston and on October 7th Kristen met with Ms. Houston and two members of her management team. They discussed the status of the Glendale site and also the status of the Prescott Valley site.

Given the unexpected closure of the Glendale site and the current state aid cash flow situation staff would like to ask the Board to request that the school provide a comprehensive plan that demonstrates the school's ability to sustain operation from October 18th through the end of the school year.

Sandra Houston, charter representative answered questions from the Board.

**BOARD CONVENES AN EXECUTIVE SESSION
AT 12:10 PM**

**BOARD RESUMES GENERAL SESSION
AT 12:30 PM**

3. Activity Fees charged to students by Charter Schools—Discussion and review of statutory authority.

Mary Lynn Kelly left the meeting at 12:31PM

Agenda Item K: Action Items

1. Horizon's Challenge Charter School
Kristen informed the Board that at this point there has not been consensus on the term of the Surrender Agreement and thus asked the Board consider issuing a Notice of Intent to Revoke the charter with the intent to

MOTION

Motion by Onnie Shekerjian to direct **Arizona Montessori Charter Schools**, by close of business on Wednesday, provide a plan that will include a revised school calendar, a demonstration of a secured facility that will meet that calendar, documentation from parents that they plan to return upon re-opening, teacher rosters for both sites for the number of days in session up until close of business on Wednesday, monthly cash flow for remainder of this fiscal year and next fiscal year, verification of written commitment of the loan or investment, a communication plan and a timeline for that communication, a plan b and plan c, which would include if there is not a loan secured by close of business on Wednesday, would include a plan for a backup loan or a plan without a loan. The School shall also provide the terms of the loan or investment and a copy of the custodial agreement they have with the charter school to whom they have assigned their student records. Motion seconded by Cassandra Larsen.

**Motion passes.
(Mosher abstained)**

MOTION

Motion by Lynne Adams to go into Executive Session for the purpose of receiving legal advice. Motion seconded by Mary Gifford.

Motion passes unanimously

MOTION

Motion by Mary Gifford to refer this item to the Legislative subcommittee for evaluation. Motion seconded by Cassandra Larsen.

Motion passes unanimously

MOTION

Motion by Lynne Adams to issue a Notice of Intent to Revoke the Charter of **Horizons Challenge School**, the corporation, to operate the charter school Horizons Challenge School for breach of its Charter Contract and Arizona state law for failure to provide a continuous comprehensive program of instruction for

continue pursuing an agreement.

students enrolled in the School for the number of days mandated by its Charter Contract and Arizona state law and to refer this matter for a hearing before the Office of Administrative Hearings to determine whether grounds exist to terminate the Charter Contract and revoke the Charter of Horizon's Challenge School and to determine the amount in equalizations assistance to be reimbursed to the Arizona Department of Education, currently believed to be \$75,295.05, as a result of the Charter Operator's failure to provide a full 179 days of instruction and to instruct the staff and our attorney to continue to attempt to negotiate a Consent Agreement to resolve this matter short of a hearing. Motion seconded by Mary Gifford.

Motion passes unanimously

3. Kachina Country Day School
Item tabled

4. Charter School Contracts
Item tabled

**Agenda Item L: Charter School Annual Financial
Audit Action Items:**

1. The Board will receive information to determine whether evidence exists that the following schools are in breach of one or more provisions of their charter contract, federal, state, or local laws regarding their failure to properly fingerprint staff in accordance with A.R.S. 15-183.C.4 as indicated in their annual financial audit for fiscal year ending 2002-2003.

- a. Progressive Leadership Academy**
- b. Progressive Junior High School, Inc.**
- c. Scottsdale Horizons Charter School**
- d. Tri-City Vo/Tech High School**

Kristen notified the Board that Progressive Leadership Academy and Progressive Junior High School, Inc. are now in compliance and asked they be removed from the agenda.

Kristen provided a brief background on Scottsdale Horizons Charter School and Tri-City Vo/Tech High School.

2. The Board will receive information to determine whether evidence exists that the following schools are in breach of one or more provisions of their charter contract, federal, state, or local laws regarding their failure to timely submit the fiscal year ending 2003 annual financial audit and associated compliance questionnaire.

MOTION

Motion made by Mary Gifford to request that the Department of Education withhold 10% of the monthly apportionment of state aid for **Scottsdale Horizons Charter School** and **Tri-City Vo/Tech High School** for failure to properly fingerprint staff. The schools will also submit to staff, a corrective action plan. If the corrective action plans are not provided by November 4th, the schools will come back to the Board for action, including the possibility of the issuance of Notice of Intent to Revoke. Motion seconded by Onnie Shekerjian.

Motion passes unanimously

- a. Casa Blanca Middle School**
- b. Griffin Foundation, Inc.**
- c. Shonto Governing Board of Education, Inc.(K-8**

Kristen provided a brief background on Casa Blanca Middle School. A summary sheet was provided to the Board.

Tom Jennings, acting superintendent, answered questions from the Board.

Jose Gabriel Loyola left the meeting at 1:02PM

b. Griffin Foundation, Inc.

Kristen provided a brief background on Griffin Foundation, Inc. A summary sheet was provided to the Board.

Lee Griffin, charter representative, answered questions from the Board.

MOTION

Motion Lynne Adams to issue a Notice of Intent to Revoke the Charter of **Casa Blanca Middle School** for breach of its Charter Contract and Arizona state law for failure to timely submit its annual financial audit and associated compliance questionnaire for the fiscal year ending June 30, 2003 and for failure to submit timely its financial audit for fiscal years 2000, 2001 and 2002, which demonstrates a continuing breach of its Charter Contract. This matter shall be referred for a hearing before the Office of Administrative Hearings to determine whether grounds exist to terminate the Charter Contract and revoke the Charter of Casa Blanca Middle School. Motion seconded by Kimberly Mosher.

Motion passes unanimously

MOTION

Motion by Mary Gifford to issue a Notice of Intent to Revoke the Charter of **Griffin Foundation, Inc.** for breach of its Charter Contract and Arizona state law for failure to timely submit its annual financial audit and associated compliance questionnaire for the fiscal year ending June 30, 2003. This matter shall be referred for a hearing before the Office of Administrative Hearings to determine whether grounds exist to terminate the Charter Contract and revoke the Charter of Griffin Foundation, Inc. Also within 7 days of receipt of the Notice of Intent to Revoke the Charter, the school shall, in writing, notify all staff and parents of students enrolled in the school(s) of the Notice of Intent to Revoke and that within 14 days the school will provide a copy of the writing to the Board. Also, within 20 days of receipt of the Notice of Intent to Revoke, the school, Lee Griffin shall provide the Board with the names and mailing addresses of parents and guardians of all students enrolled in the school(s) at the time the Notice of Intent to Revoke was received. Motion seconded by Kimberly Mosher.

Motion failed

(ayes-Gifford, Mosher)

(nays-Adams, Hume, Larsen, Shekerjian)

MOTION

Motion by Cassandra Larsen that if the audit is not turned in by November 1, 2004, this school will come back to the Board for action, including the possibility of the issuance of Notice of Intent to Revoke. Motion seconded by Mary Gifford.

Motion passes unanimously

Cassandra Larsen left the meeting at 1:12PM

3. **Academy of Hope**- The Board will receive information to determine whether evidence exists that Academy of Hope is in breach of one or more provisions of their charter contract, federal, state, or local laws regarding their failure to timely submit the fiscal year ending 2003 annual financial audit and associated compliance questionnaire and failure to remain in good standing with the Arizona Corporation Commission.

Kristen provided a brief background on Academy of Hope. She presented a letter to the Board that was provided by the school's charter representative, Terra Chesnutt, who was unable to attend the meeting.

MOTION

Motion by Kimberly Mosher to issue a Notice of Intent to Revoke the Charter of **Academy of Hope** for breach of its Charter Contract and Arizona state law for failure to timely submit its annual financial audit and associated compliance questionnaire for the fiscal year ending June 30, 2003 and failure to remain in good standing with the Arizona Corporation Commission. This matter shall be referred for a hearing before the Office of Administrative Hearings to determine whether grounds exist to terminate the Charter Contract and revoke the Charter of Academy of Hope. Also included in this Motion is that within 7 days of receipt of the Notice of Intent to Revoke the Charter and Notice of Hearing, Academy of Hope shall inform, in writing, all staff and all parents of students enrolled in the school(s) that a Notice of Intent to Revoke the school's charter has been filed, the school location at which a copy of the Notice, may, upon request, be inspected, and the date, time, and location of the hearing set in this matter, with a copy of the writing provided to the Board within 14 days of receipt of the Notice. Also, within 20 days of receipt of the Notice of Intent to Revoke, Academy of Hope shall provide the Board with the names and mailing addresses of parents and guardians of all students enrolled in the school at the time the Notice of Intent to Revoke was received. The Board further requested the staff conduct a site visit as a follow-up to the letter presented to the Board. Motion seconded by Lynne Adams.

Motion passes unanimously

4. **Shonto Governing Board of Education**-The Board will receive information to determine whether evidence exists that the Shonto Governing Board of Education, Inc.(9-12) is in breach of one or more provisions of their charter contract, federal, state, or local laws regarding their failure to timely submit the fiscal year ending 2003 annual financial audit and associated compliance questionnaire and failure to comply with regulations on the following federal and state grants: Title I, State Chemical Abuse, Title II, & Title IV.

Kristen stated the school submitted their annual financial audit and compliance questionnaire before today's meeting.

No action taken

5. **Tertulia**-The Board will receive information to determine whether evidence exists that the Tertulia is in breach of one or more provisions of their charter contract, federal, state, or local laws regarding their failure to timely submit the fiscal year ending 2003 annual financial audit and associated compliance questionnaire and failure to comply with regulations on the following federal grants: Title IV.

Kristen provided a brief background on Tertulia.

MOTION

Motion by Lynne Adams to issue a Notice of Intent to Revoke the Charter of **Tertulia Learning Community Charter School** for breach of its Charter Contract and Arizona state law for failure to timely submit its annual financial audit and associated compliance questionnaire for the fiscal year ending June 30, 2003, for failure to comply with federal regulations regarding reporting requirements for federal Title IV grants, and for this school's historical failure to comply with the requirements to timely submit its audits for fiscal years 2000, 2001, and 2002.

Jesus Aguirre, charter representative, answered questions from the Board

This matter shall be referred for a hearing before the Office of Administrative Hearings to determine whether grounds exist to terminate the Charter Contract and revoke the Charter of Tertulia Learning Community. Also included in this Motion is that within 7 days of receipt of the Notice of Intent to Revoke the Charter and Notice of Hearing, the charter school shall inform, in writing, all staff and all parents of student enrolled in the school that a Notice of Intent to Revoke the school's charter has been filed, the school location at which a copy of the Notice, may, upon request, be inspected, and the date, time, and location of the hearing set in this matter, with a copy of the writing provided to this Board within 14 days of receipt of the Notice. Motion seconded by Kimberly Mosher.

Motion passes unanimously

Agenda Item M: Board Comments

None

Agenda Item N: Approval of Minutes

September 13, 2004

Item tabled.

Agenda Item O: Adjournment

MOTION

Motion by Mary Gifford to adjourn the meeting. Motion seconded by David Hume.

Motion passes unanimously

The meeting adjourned at approximately 1:33pm

Signature

Date